

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1001 - HB 1096

March 30, 2015

SUMMARY OF BILL: Abolishes civil forfeiture procedures.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$1,085,500

Decrease State Expenditures – \$1,425,300

Assumptions:

- Civil forfeiture is a legal process in which law enforcement agencies take assets suspected of involvement in criminal or illegal activity. Civil forfeiture can be initiated even if the property owner has not been charged with any criminal or illegal activity.
- Civil forfeiture actions are in rem—i.e., they are actions brought against property or a property interest and not against an individual. *Stuart v. State Dept. of Safety*, 963 S.W.2d 28, 34 (Tenn. 1998).
- Under current procedure, law enforcement agencies can seize property for which probable cause exists that the property was used or involved in criminal or illegal activity and file a civil forfeiture action. The property owner then has the burden to prove that the property was not involved.
- The proceeds from civil forfeiture actions are often used to purchase equipment for law enforcement agencies.
- The bill abolishes civil forfeiture procedures.
- The Department of Safety (Safety) reports that it collects approximately \$437,000 each year from civil forfeiture actions. The bill would decrease state revenues by \$437,000.
- As a result, Safety would reduce its workforce that handles civil forfeiture matters. Safety reports that it would reduce its workforce by 19 positions. The decrease in state expenditures would be approximately \$776,844.
- The Secretary of State conducts civil forfeiture hearings for Safety. The Division of Administrative Procedures (Administrative Procedures) hears civil forfeiture cases filed by Safety. Administrative Procedures bills Safety as follows:
 1. Safety is charged a \$200 docketing fee for each matter placed on Administrative Procedures' dockets. The first two hours of judicial work are drawn against this fee.
 2. Any additional judicial time is billed at a rate of \$200.

- The Secretary of State reports that it has billed the Department of Safety approximately \$648,450 each year in the past three years. The bill will decrease state revenues by \$648,450.
- The Secretary of State reports that it would decrease its expenditures by the same amount of revenue lost by the bill. The Secretary of State would reduce its expenditures by \$648,450, which would come from a reduction in workforce. A decrease in expenditures of \$648,450 would likely result in a decrease of four administrative law judges and two support staff positions.
- The bill will result in a total decrease in state revenue of \$1,085,450 (\$437,000 + \$648,450).
- The bill will result in a total decrease in state expenditures of \$1,425,294 (\$776,844 + \$648,450).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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